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DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

[Department Circular—Public Debt Series—No. 4-89]

Treasury Notes of February 15, 1999, Series A-1999

Washington, February 2, 1989.

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1. INVITATION FOR TENDERS

1.1. The Secretary of the Treasury, under the authority of Chapter 31 of Title 31, United States Code, invites tenders for approximately $9,500,000,000 of United States Securities, designated Treasury Notes of February 15, 1999, Series A-1999 (CUSIP No. 912827 XE 7), hereafter referred to as Notes. The Notes will be sold at auction, with bidding on the basis of yield. Payment will be required at the price equivalent of the yield of each accepted bid. The interest rate on the Notes and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of the Notes may be issued to Federal Reserve Banks for their own account in exchange for maturing Treasury securities. Additional amounts of the Notes may also be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities.

2. DESCRIPTION OF SECURITIES

2.1. The Notes will be dated February 15, 1989, and will accrue interest from the date, payable on a semiannual basis on August 15, 1989, and each subsequent 6 months on February 15 and August 15 through the date that the principal becomes payable. They will mature February 15, 1999, and will not be subject to call for redemption prior to maturity. In the event any payment date is a Saturday, Sunday, or other nonbusiness day, the amount due will be payable (without additional interest) on the next business day.

2.2. The Notes are subject to all taxes imposed under the Internal Revenue Code of 1954. The Notes are exempt from all taxation now or hereafter imposed on the obligation or interest thereof by any State, any possession of the United states, or any local taxing authority, except as provided in 31 U.S.C. 3124.

2.3. The Notes will be acceptable to secure deposits of Federal public monies. They will not be acceptable in payment of Federal taxes.

2.4. The Notes will be issued only in book-entry form in denominations of $1,000, $5,000, $10,000, $100,000, and $1,000,000, and in multiples of those amounts. They will not be issued in registered definitive or in bearer form.

2.5. A Note may be held in its fully constituted form or it may be divided into its separate Principal and Interest Components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as fiscal agents of the United States. The provisions specifically applicable to the separation, maintenance, transfer, and reconstitution of Principal and Interest Components are set forth in Section 6 of this circular. Subsections 2.1. through 2.4. of this section are descriptive of Notes in their fully constituted form; the description of the separate Principal and Interest components is set forth in Section 6 of this circular.

2.6. The Department of the Treasury's general regulations governing United States securities, i.e., Department of the Treasury Circular No. 300, current revision (31 CFR Part 306), as to the extent applicable to marketable securities issued in book-entry form, and the regulations governing book-entry Treasury Bonds, Notes, and Bills, as adopted and published as a final rule to govern securities held in the TREASURY DIRECT Book-Entry Securities System in 51 FR 18260, *et seq.* (May 16, 1986), apply to the Notes offered in this circular.

3. SALE PROCEDURES

3.1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20239-1500, prior to 1:00 p.m., Eastern Standard time, Wednesday, February 8, 1989. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Tuesday, February 7, 1989, and received no later than Wednesday, February 15, 1989.

3.2. The par amount of Notes bid for must be stated on each tender. The minimum bid is $1,000, and larger bids must be in multiples of that amount. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.10%. Fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield.

3.3. A single bidder, as defined in Treasury's single bidder guidelines, shall not submit noncompetitive tenders totaling more than $1,000,000. A noncompetitive bidder may not have entered into an agreement, nor make an agreement to purchase or sell or otherwise dispose of any noncompetitive awards of this issue prior to the deadline for receipt of tenders.

3.4. Commercial banks, which for this purpose are defined as banks accepting demand deposits,

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and primary dealers, which for this purpose are defined as dealers who make primary markets in Government securities and are on the list of reporting dealers published by the Federal Reserve Bank of New York, may submit tenders for accounts of customers if the names of the customers and the amount for each customer are furnished. Others are permitted to submit tenders only for their own account.

3.5. Tenders for their own account will be received without deposit from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; and Federal Reserve Banks. Tenders from all others must be accompanied by full payment for the amount of Notes applied for, or by a guarantee from a commercial bank or a primary dealer of 5 percent of the par amount applied for.

3.6. Immediately after the deadline for receipt of tenders, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, an interest rate will be established, at a ⅛ of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 97.500. That stated rate of interest will be paid on all of the Notes. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Federal Reserve Banks will be accepted at the price equivalent to the weighted average yield of accepted competitive tenders.

3.7. Competitive bidders will be advised of the acceptance of their bids. Those submitting noncompetitive tenders will be notified only if the tender is not accepted in full, or when the price at the average yield is over par.

4. RESERVATIONS

4.1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of Notes specified in Section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it in the public interest. The Secretary's action under this Section is final.

5. PAYMENT AND DELIVERY

5.1. Settlement for the Notes allotted must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on Notes allotted to institutional investors and to others whose tenders are accompanied by a guarantee as provided in Section 3.5. must be made or completed on or before Wednesday, February 15, 1989. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender was submitted, which must be received from institutional investors no later than Monday, February 13, 1989. In addition, Treasury Tax and Loan Note Option Depositaries may make payment for the Notes allotted for their own accounts and for accounts of customers by credit to their Treasury Tax and Loan Note Accounts on or before Wednesday, February 15, 1989. When payment has been submitted with the tender and the purchase price of the Notes allotted is over par, settlement for the premium must be completed timely, as specified above. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder.

5.2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the par amount of Notes allotted shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5.3. Registered definitive securities tendered in payment for the Notes allotted and to be held in TREASURY DIRECT are not required to be assigned if the inscription on the registered definitive security is identical to the registration of the Note being purchased. In any such case, the tender form used to place the Notes allotted in TREASURY DIRECT must be completed to show all the information required thereon, or the TREASURY DIRECT account number previously obtained.

6. SEPARABILITY OF PRINCIPAL AND INTEREST

6.1. Under the Treasury's STRIPS Program (Separate Trading of Registered Interest and Principal of Securities), a Note may be divided into its separate components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as Fiscal Agents of the United States. The separate STRIPS components are: each future semiannual interest payment (referred to as an Interest Component) and the principal payment (referred to as the Principal Component). Each Interest Component and the Principal Component shall have an identifying designation and CUSIP number, which are set forth in Attachment A to this circular.

6.2. Attachment A also provides the payable dates for the separate components. In the event any payment date is a Saturday, Sunday, or other nonbusiness day, the amount due will be payable (without additional interest) on the next business day.

6.3. For a Note to be separated into the components described in Section 6.1., the par amount of the Note must be in an amount which, based on the stated interest rate of the Note, will produce a semiannual interest payment of $1,000 or a multiple of $1,000. Attachment B to this circular provides the minimum par amounts required to separate a security at various interest rates, as well as the interest payments corresponding to those minimum par amounts. Par amounts greater than the minimum amount must be in multiples of that amount. The minimum par amount for this offering will be provided in the public announcement of the amount and yield range of accepted bids.

6.4. A Note may be separated into its components at any time from the issue date until maturity. A request for separation must be made to the Federal Reserve Bank maintaining the account for the Notes. Once a Note has been separated into its components, the components may be maintained and transferred in multiples of $1,000.

6.5. Interest Components and Principal Components in multiples of $1,000 will be acceptable to secure deposits of Federal public monies. They will not be acceptable in payment of Federal taxes.

6.6. Interest and Principal Components of separated securities may be reconstituted, i.e., restored to their fully constituted form, on the book-entry records of the Federal Reserve Banks. A Principal Component and all related unmatured Interest Components, in the appropriate minimum or multiple amounts previously announced, must be submitted together for reconstitution.

6.7. Detached physical interest coupons, coupons held under the CUBES Program, or cash payments may not be substituted for missing Interest or Principal Components. Any reconstitution request which does not comprise all of the necessary STRIPS components in the appropriate amounts will not be accepted.

6.8. The book-entry transfer of each Interest Component and Principal Component included in a reconstitution transaction will be subject to the fee schedule generally applicable to transfers of book-entry Treasury securities.

6.9. Unless otherwise provided in this offering circular, the Department of the Treasury's general regulations governing United States securities apply to the Notes separated into their components.

7. GENERAL PROVISIONS

7.1. As fiscal agents of the United States, Federal Reserve Banks are authorized, as directed by the Secretary of the Treasury, to receive tenders, to make allotments, to issue such notices as may be necessary, to receive payment for, and to issue, maintain, service, and make payment on the Notes.

7.2. The Secretary of the Treasury may, at any time, supplement or amend provisions of this circular if such supplements or amendments do not adversely affect existing rights of holders of the Notes. Public announcement of such changes will be promptly provided.

7.3. The Notes issued under this circular shall be obligations of the United States, whether held in the fully constituted form or as separate Interest and Principal Components, and, therefore, the faith of the United States Government is pledged to pay, in legal tender, principal and interest on the Notes.

7.4. Attachments A and B are incorporated as part of this circular.

GERALD MURPHY
Fiscal Assistant Secretary

Attachment A.—CUSIP Numbers and Designations for the Principal Component and Interest Components of Treasury Notes of February 15, 1999, Series A-1999, CUSIP No. 912827 XE 7

The Principal Component is designated (Interest Rate) Treasury Principal (TPRN) Series A-1999 due February 15, 1999, CUSIP No. 912820 AR 8

Interest Components

Designation	CUSIP Number 912833	Designation	CUSIP Number 912833
Treasury Interest (TINT) due		Treasury Interest (TINT) due	
August 15, 1989	BE 9	August 15, 1994	BQ 2
February 15, 1990	BF 6	February 15, 1995	BR 0
August 15, 1990	BG 4	August 15, 1995	BS 8
February 15, 1991	BH 2	February 15, 1996	BT 6
August 15, 1991	BJ 8	August 15, 1996	BU 3
February 15, 1992	BK 5	February 15, 1997	BV 1
August 15, 1992	BL 3	August 15, 1997	BW 9
February 15, 1993	BM 1	February 15, 1998	BX 7
August 15, 1993	BN 9	August 15, 1998	BY 5
February 15, 1994	BP 4	February 15, 1999	BZ 2

Attachment B.—Minimum Face Amounts Which Are Multiples of $1,000 Required in Order To Produce Interest Payments That Are Multiples of $1,000

Coupon (%)	Minimum face ($)	Interest payment ($)	Coupon (%)	Minimum face ($)	Interest payment ($)	Coupon (%)	Minimum pace ($)	Interest payment ($)
5.000	40,000.00	1,000.00	10.125	1,600,000.00	81,000.00	15.250	800,000.00	61,000.00
5.125	1,600,000.00	41,000.00	10.250	800,000.00	41,000.00	15.375	1,600,000.00	123,000.00
5.250	800,000.00	21,000.00	10.375	1,600,000.00	83,000.00	15.500	400,000.00	31,000.00
5.375	1,600,000.00	43,000.00	10.500	400,000.00	21,000.00	15.625	64,000.00	5,000.00
5.500	400,000.00	11,000.00	10.625	320,000.00	17,000.00	15.750	800,000.00	63,000.00
5.625	320,000.00	9,000.00	10.750	800,000.00	43,000.00	15.875	1,600,000.00	127,000.00
5.750	800,000.00	23,000.00	10.875	1,600,000.00	87,000.00	16.000	25,000.00	2,000.00
5.875	1,600,000.00	47,000.00	11.000	200,000.00	11,000.00	16.125	1,600,000.00	12,900.00
6.000	100,000.00	3,000.00	11.125	1,600,000.00	89,000.00	16.250	160,000.00	13,000.00
6.125	1,600,000.00	49,000.00	11.250	160,000.00	9,000.00	16.375	1,600,000.00	131,000.00
6.250	32,000.00	1,000.00	11.375	1,600,000.00	91,000.00	16.500	400,000.00	33,000.00
6.375	1,600,000.00	51,000.00	11.500	400,000.00	23,000.00	16.625	1,600,000.00	133,000.00
6.500	400,000.00	13,000.00	11.625	1,600,000.00	93,000.00	16.750	800,000.00	67,000.00
6.625	1,600,000.00	53,000.00	11.750	800,000.00	47,000.00	16.875	32,000.00	27,000.00
6.750	800,000.00	27,000.00	11.875	320,000.00	19,000.00	17.000	200,000.00	17,000.00
6.875	320,000.00	11,000.00	12.000	50,000.00	3,000.00	17.125	1,600,000.00	137,000.00
7.000	200,000.00	7,000.00	12.125	1,600,000.00	97,000.00	17.250	800,000.00	69,000.00
7.125	1,600,000.00	57,000.00	12.250	800,000.00	49,000.00	17.375	1,600,000.00	139,000.00
7.250	800,000.00	29,000.00	12.375	1,600,000.00	99,000.00	17.500	80,000.00	7,000.00
7.375	1,600,000.00	59,000.00	12.500	16,000.00	1,000.00	17.625	1,600,000.00	141,000.00
7.500	80,000.00	3,000.00	12.625	1,600,000.00	101,000.00	17.750	800,000.00	71,000.00
7.625	1,600,000.00	61,000.00	12.750	800,000.00	51,000.00	17.875	1,600,000.00	143,000.00
7.750	800,000.00	31,000.00	12.875	1,600,000.00	103,000.00	18.000	100,000.00	9,000.00
7.875	1,600,000.00	63,000.00	13.000	200,000.00	13,000.00	18.125	320,000.00	29,000.00
8.000	25,000.00	1,000.00	13.125	320,000.00	21,000.00	18.250	800,000.00	73,000.00
8.125	320,000.00	13,000.00	13.250	800,000.00	53,000.00	18.375	1,600,000.00	147,000.00
8.250	800,000.00	33,000.00	13.375	1,600,000.00	107,000.00	18.500	400,000.00	37,000.00
8.375	1,600,000.00	67,000.00	13.500	400,000.00	27,000.00	18.625	1,600,000.00	149,000.00
8.500	400,000.00	17,000.00	13.625	1,600,000.00	109,000.00	18.750	32,000.00	3,000.00
8.625	1,600,000.00	69,000.00	13.750	160,000.00	11,000.00	18.875	1,600,000.00	151,000.00
8.750	160,000.00	7,000.00	13.875	1,600,000.00	111,000.00	19.000	200,000.00	19,000.00
8.875	1,600,000.00	71,000.00	14.000	100,000.00	7,000.00	19.125	1,600,000.00	153,000.00
9.000	200,000.00	9,000.00	14.125	1,600,000.00	113,000.00	19.250	800,000.00	77,000.00
9.125	1,600,000.00	73,000.00	14.250	800,000.00	57,000.00	19.375	320,000.00	31,000.00
9.250	800,000.00	37,000.00	14.375	320,000.00	23,000.00	19.500	400,000.00	39,000.00
9.375	64,000.00	3,000.00	14.500	400,000.00	29,000.00	19.625	1,600,000.00	157,000.00
9.500	400,000.00	19,000.00	14.625	1,600,000.00	117,000.00	19.750	800,000.00	79,000.00
9.625	1,600,000.00	77,000.00	14.750	800,000.00	59,000.00	19.875	1,600,000.00	159,000.00
9.750	800,000.00	39,000.00	14.875	1,600,000.00	119,000.00	20.000	10,000.00	1,000.00
9.875	1,600,000.00	79,000.00	15.000	40,000.00	3,000.00	20.125	1,600,000.00	161,000.00
10.000	20,000.00	1,000.00	15.125	1,600,000.00	121,000.00	20.250	800,000.00	81,000.00

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

[Supplement to Department Circular—Public Debt Series—No. 4-89]

TREASURY NOTES, SERIES A-1999

Washington, February 9, 1989.

The Secretary announced on February 8, 1989, that the interest rate on the notes designated Series A-1999, described in Department Circular—Public Debt Series—No. 4-89 dated February 2, 1989, will be 8⅞ percent. Interest on the notes will be payable at the rate of 8⅞ percent per annum.

GERALD MURPHY
Fiscal Assistant Secretary

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